

Message Text

CONFIDENTIAL

PAGE 01 USUN N 04041 01 OF 02 122214Z

61

ACTION IO-06

INFO OCT-01 ISO-00 AF-04 ARA-06 EA-06 EUR-08 NEA-06 RSC-01

CIAE-00 DODE-00 PM-03 H-01 INR-05 L-01 NSAE-00 NSC-05

PA-01 PRS-01 SP-02 SS-20 USIA-06 OMB-01 AID-05 ABF-01

TRSE-00 COME-00 EB-04 ACDA-05 DRC-01 /100 W

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FM USMISSION USUN NY

TO SECSTATE WASHDC 6348

C O N F I D E N T I A L SECTION 1 OF 2 USUN 4041

E.O. 11652: GDS

TAGS: PFOR, AORG, -*8,, UN

SUBJ: FIFTH COMMITTEE-UNEF/UNDOF FINANCING

REF: (A) USUN 3923; (B) USUN 3922; (C) USUN 3707

SUMMARY: AMB SCHAUFLE AND MISOFF ATTENDED MEETING WITH SYG OCT 12 ON UNEF/UNDOF FINANCING ALONG WITH UK AND FRANCE. SYG INTENDS TO ISSUE "PROGRESS REPORT" ON OCT 14 ON FORCE IN ANTICIPATION OF SC CONSULTATIONS PRIOR TO COVENING OF COUNCIL TO CONSIDER EXTENTSTION OF UNEF MANDATE. ON FINANCIAL ASPECTS, SYG WILL REPORT ON CURRENT SITUATION BUT MAKE NO PROPOSALS OR TAKE A POSITION. UK, FRANCE AND US ALL VOICED OPPOSITION TO TROOP CONTRIBUTORS' AGREED REIMBURSEMENT RATE OF \$500/150. US AND UK ARGUED THAT PROCEDURES ON FINANCING USED LAST YEAR WHEN UNEF ESTABLISHED SHOULD BE REPEATED. FRENCH, AS EXPECTED, BELIEVE COUNCIL HAS PRIMARY RESOONSIBILITY TO DECIDE ON FINANCIAL ARRANGEMENTS, WITH UNGA LEFT TO APPROVING COSTS AND APPROPRIATING FUNDS. END SUMMARY.

1. PER PARA 9 REFTEL A, AMB SCHAUFLE AND MISOFF ATTENDED LENGTHY MEETING WITH SYG AND USYG'S DAVIDSON AND URQUHART ON TROOP REIMBURSEMENT; FRENCH (DE GUIRINGAUD) AND UK (RICHARD) PERMREPS ALSO ATTENDED. SYG SAID THAT AFTER CONSULTATIONS WIHT TROOP CONTRIBUTORS, HE WAS NOW MEETING WITH MAJOR CONTRIBUTORS.

CONFIDENTIAL

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PAGE 02 USUN N 04041 01 OF 02 122214Z

AMB MALIK (USSR) HAD DISCUSSED SUBJECT WITH SYGON OCT 9.

2. SYG THEN PROVIDED PREVIOUSLY REPORTED CHRONOLOGICAL BACKGROUND OF DEVELOPMENTS. HIS EARLIER PROPOSALS OF A FLAT REIMBURSEMENT RATE OF \$400 PER MAN /PER MONTH AND \$350/150 HAD BEEN REJECTED OUTRIGHT BY TROOP CONTRIBUTORS. WITH AMB KARHILO (FINLAND) AS SPOKESMAN, TROOP CONTRIBUTORS HAD PRESENTED AGREED POSITION OF \$500/\$150 REPORTED REFTELS B. AND C. IF THIS ACCEPTED FOR PERIOD ENDING OCT 24, SYG SAID HE WOULD HAVE TO REQUEST \$23.6 MILLION SUPPLEMENTAL ON TOP OF \$60 MILLION AUTHORIZED BY GA LAST YEAR. TOTAL COST BASED ON TROOP COMPLEMENT OF 5,750. ANNUAL COSTS IN FUTURE EXPECTED TO BE \$80 MILLION.
3. USYG DAVIDSON POINTED OUT THAT AT PRESENT FOR FIRST SIX-MONTH PERIOD 53 MEMBERS HAD NOT PAID (\$3.3 MILLION), AND FOR SECOND PERIOD 93 MEMBERS (\$11.6 MILLION) IN ADDITION TO ABOUT \$4 MILLION WITHHELD AS MATTER OF PRINCIPLE BY 4 MEMBERS. SYG SAID HE HAD WRITTEN PERSONAL LETTERS TO FONMIN'S OF DELINQUENT COUNTRIES URGING THEM TO PAY IMMEDIATELY, BUT WAS EXTREMELY DISAPPOINTED IN RESPONSE.
4. MALIK HAD EXPRESSED "SURPRISE" TO SYG THAT FIRST YEAR COST OF FORCE HAD INCREASED AND SAID SYG HAD NO AUTHORITY TO GO BEYOND \$60 MILLION, THEREFORE, SYG MUST REDUCE FORCE AS WELL AS EXPENSES. SYG REPLIED HE HAD KEPT SIZE OF FORCE TO 5,750 WHICH WAS LOWER THAN 7,000 ORIGINALLY ANTICIPATED, BUT THAT DUE TO INFLATION, CURRENCY FLUCTUATIONS, UN HAVING TO MEET COSTS OF TRANSPORT, ETC., HE WAS UNABLE TO STAY WITHIN ORIGINAL AMOUNT OR TO MAKE FURTHER REDUCTIONS.
5. SYG EXPRESSED GRATITUDE TO US, UK AND FRANCE FOR THEIR CONTRIBUTIONS TO DATE AND DEPLORED DIMINUTION OF "ENTHUSIASM" SINCE FORCE ESTABLISHED AND TIME CAME TO PAY. WITH FUNDS AVAILABLE, AFTER MEETING DIRECT UN OBLIGATIONS AND HOLDING FUNDS FOR 2-3 MONTHS OPERATION IN RESERVE, SYG COULD ONLY PAY TROOP CONTRIBUTORS AT RATE OF \$175 PER MAN "PER MONTH. SYG SAID HE GAINED CLEAR "IMPRESSION" FROM MALIK THAT HE FELT SC MUST DECIDE ON COST CEILING OF FORCE AS WELL AS REIMBURSEMENT RATE. SOVIET ATTITUDE REFLECTED THEIR POSITION THAT SC RATHER THAN GA HAS AUTHORITY TO AUTHORIZE FINANCING OF PEACEKEEPING FORCES
- . SYG REITERATED HIS INTENTION TO PROCEED THIS YEAR AS LAST, WITH COUNCIL DECIDING ON EXTENSION AND ASSEMBLY DECIDING ON FINANCING.
6. WALDHEIM SAID HE INTENDS TO ISSUE "PROGRESS REPORT" COVERING CONFIDENTIAL

CONFIDENTIAL

PAGE 03 USUN N 04041 01 OF 02 122214Z

PRIMARILY PERIOD APRIL 2 TO OCTOBER 12 FOR SC ON OCT 14 IN ORDER THAT INFORMAL CONSULTATIONS MIGHT BEGIN AMONG COUNCIL MEMBERS IMMEDIATELY THEREAFTER.

7. IN REPORT, SYG SAID HE WOULD REFER TO PARAS 6 AND 7 OF S/11052/REV.1 BY INDIRECTION, GIVE REASONS FOR COST INCREASES, NOTE THAT \$23.6 MILLION SUPPLEMENTAL REQUIRED FOR FIRST YEAR OF FORCE, REPORT THAT FOR SIX-MONTH RENEWAL PERIOD COSTS LIKELY TO INCREASE BY \$10 MILLION, STATE THAT HE HAS HELD

CONSULTATIONS WITH TROOP CONTRIBUTORS AND OTHERS, AND INCLUDE TROOP CONTRIBUTORS' REIMBURSEMENT FORMULA OF \$500/\$150 .

8. DE GUIRINGAUD SAID \$500/\$150 RATE WAS TOO HIGH SINCE IT WOULD RESULT IN PROFITS FOR SOME CONTRIBUTORS. THOSE TROOP CONTRIBUTORS WHOSE COSTS WERE APPRECIABLY HIGHER (FINNS) SHOULD MAKE A CONCERTED EFFORT TO ABSORB A SIGNIFICANT SHARE. FRANCE, THEREFORE, COULD NOT AGREE TO SUCH A REIMBURSEMENT RATE, NOR TO ATTITUDE OF TROOP CONTRIBUTORS WHICH HE CHARACTERIZED AS "SCANDALOUS." AS SECOND POINT, DE GUIRINGAUD SAID GOF HAD CONSISTENTLY SUPPORTED PRINCIPLE THAT UN PEACE-KEEPING OPERATIONS WERE RESPONSIBILITY OF SC; THEREFORE, HE WAS NOT PREPARED SEE GA ASSUME ANY OF THIS RESPONSIBILITY. HE SAID SC SHOULD DECIDE ON TYPE OF OPERATION, SIZE OF FORCE, REIMBURSEMENT, ETC. WITH ASSEMBLY'S RESPONSIBILITY BEING LIMITED TO DETERMINING HOW TO "FOOT THE BILL."

9. WALDHEIM REITERATED LAST YEAR'S PROCEDURE WHEREBY COUNCIL DECIDED ON ESTABLISHING FORCE AND TOOK NOTE OF HIS FINANCIAL PROPOSALS. SYG INTERPRETED THAT AS "SILENT IMPLICIT" ACCEPTANCE BY COUNCIL OF HIS APPROACH.

10. AMB SCHAUFLE SAID USG SUPPORTED CONCEPT OF TROOP CONTRIBUTORS BEING REIMBURSED ON BASIS OF ACTUAL COSTS, BUT THAT MOST COSTLY CONTRIBUTORS SHOULD NOT BE REIMBURSED 100PERCENT. HE SAID USSR WAS PARTIALLY RESPONSIBLE FOR TROOP CONTRIBUTORS' DEMANDS BECAUSE IT HAD SUPPORTED "EQUAL PAY/EQUAL WORK" CONCEPT. NOW SOVS WERE TAKING OPPOSITE LINE AFTER THIS HAD RESULTED IN SETTING TOO HIGH A FLAT RATE. SCHAUFLE SAID US CONSIDERED \$500/\$150 RATE AS "EXHORBITANT" AND MENTIONED POSSIBLE DIFFICULTIES WITH CONGRESS IN GETTING NECESSARY LEGISLATION FOR FUTURE US CONTRIBUTIONS. HE POINTED OUT THAT \$500/\$150 FORMULA WOULD MEAN THAT LDC'S PROVIDING CONTINGENT OF 600 MEN WOULD RECEIVE MORE THAN \$3 MILLION A YEAR WHILE CONTRIBUTING LESS THAN \$40,000 TO UN REGULAR BUDGET. WHEN CONTRIBUTORS PAY THEIR SOLDIERS LESS THAN \$100 A MONTH IT WAS INTOLERABLE THAT UN

CONFIDENTIAL

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PAGE 04 USUN N 04041 01 OF 02 122214Z

SHOULD PROHIBIT FINANCIAL SUPPORT TO THOSE GOVTS. US HAD PROVIDED NEARLY \$7 MILLION IN FREE SERVICES TO UN AND APID ITS UNEF/UNDOF ASSESSMENTS TIMELY AND IN FULL. SOV APPROACH, AS STATED TO SYG, WAS A REHASH OF THEIR ATTEMPTS TO GET FULL SC CONTROL OF PEACEKEEPING OPERATIONS TO WHICH USG COULD NOT AGREE. FOR 15 MEMBERS OF SC TO DECIDE ON OBLIGATIONS OF 138 MEMBERS WAS UNTHINKABLE. THEREFORE, APPROACH USED LAST YEAR IN HANDLING THIS MATTER SHOULD BE FOLLOWED AGAIN. SCHAUFLE SAID THAT THERE COULD BE NO AMBIGUITY ON BASIC PRINCIPLE THAT: (A) UNEF/UNDOF EXPENSES WOULD BE MET IN ACCORDANCE WITH CHARTER ARTICLE 17, AND (B) PRESENT SCALE OF ASSESSMENTS FOR FORCE MUST NOT BE TAMPERED WITH. HE ADDED US COULD NOT NECESSARILY GO ALONG WITH \$500 FLAT RATE SINCE IT WAS TOO HIGH, AND THAT WE COULD NOT ACCEPT \$150 "TECHNICIAN" SUPPLEMENT.

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PAGE 01 USUN N 04041 02 OF 02 122213Z

70

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INFO OCT-01 ISO-00 AF-04 ARA-06 EA-06 EUR-08 NEA-06 RSC-01

CIAE-00 DODE-00 PM-03 H-01 INR-05 L-01 NSAE-00 NSC-05

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C O N F I D E N T I A L SECTION 2 OF 2 USUN 4041

10. AMB RICHARD(UK) SAID IT WAS INTOLERABLE THAT ANYONE WOULD TRY TO PROFIT FROM UN PEACEKEEPING OPERATIONS AND FELT SAME ABOUT TROOP CONTRIBUTORS AGREEING TO A FORMULA WHICH WAS THEN PRESENTED TO OTHER MEMBERS AS A "DEMAND". HE SAID THAT IN PRINCIPLE UK COULD NOT GO ALONG WITH \$500/\$150 FORMULA, PARTICULARLY IN VIEW OF UK EXPERIENCE WITH UNFICYP. METHOD OF FINANCING UNEF/UNDOF WAS DECIDED ON BY GA LAST YEAR AND THIS SHOULD BE MAINTAINED. RICHARD, AND LATER DE GUIRINGAUD, WERE SHOCKED AT ATTITUDE OF NORDICS WHO WERE SELLING THEIR SOLDIERS AT A HIGH COST TO UN FOR PEACEKEEPING; DE GUIRINGAUD ADDED THAT THEY (IN PARTICULAR SWEDES) SHOULD BE EXPOSED "FOR WHAT THEY ARE."

11. AT END OF MEETING, DISCUSSION TURNED TO HOW SYG WILL PRESENT "FINANCING" SECTION IN HIS PROGRESS REPORT (TO BE DATED OCT 12 AND ISSUED OCT 14). SCHAUFLE PRESSED FOR INCLUSION OF PARA 7 OF S/11052/REV.1, ARGUING THAT THIS MUST BE EXPLICITLY REITERATED IN ORDER TO HOLD INTACT PRINCIPLE THAT COST OF FORCE WOULD BE BORNE BY TOTAL UNMEMBERSHIP. SYG REPLIED ONLY THAT REFERENCE WOULD BE MADE TO THIS. SUBSEQUENTLY, MISOFF CALLED USYG DAVIDSON AND URGED STRONGLY THAT PARA 7 MUST BE EXPLICITLY INCLUDED IN SYG' S REPORT. DAVIDSON, WHO WAS PERSONALLY SYMPATHATIC, SAID THAT FOLLOWING MEETING HE HAD ARGUED POINT WITH SYG AND URQUHART, BUT TO NO AVAIL. CONSEQUENTLY, REPORT WILL INCLUDE LANGUAGE TO EFFECT THAT : "SECURITY COUNCIL RECALLS PARAS 6 AND 7 OF S/11052/REV.1 WHEREBY REPORT WAS APPROVED BY

CONFIDENTIAL

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PAGE 02 USUN N 04041 02 OF 02 122213Z

SC IN RESOLUTION 341 (1973)." MISOFF REPLIED THIS DID NOT GO FAR ENOUGH AND THAT SYG SHOULD CHANGE REPORT. DAVIDSON SAID FINAL DECISION HAD BEEN TAKEN AND RPORT WOULD BE ISSUED WITH LANGUAGE SIMILAR TO THAT ABOVE.

12. SYG PLANS TO MEET WITH TROOP CONTRIBUTORS AFTERNOON OCT 14 AND POSSIBLY ALSO SEPARATELY WITH AJAPAN AND FRG PERMREPS.

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